

(b) The IHA shall conduct an inspection of each dwelling unit at least once not later than six months after the start of the contractor's warranty period. A separate or final warranty inspection shall be made in time to exercise the IHA's rights before expiration of the contractor's warranties. Each inspection shall cover all items under warranty at the time of the inspection, including items covered by manufacturers' and suppliers' warranties. At each inspection, the IHA shall obtain a signed statement from the occupants as to any deficiencies in the structure, equipment, grounds, etc., so that it may enforce any rights under applicable warranties.

**§ 950.280 Correcting deficiencies.**

(a) *Responsibility.* The IHA shall pursue correction of any deficiencies against the responsible party (e.g., architect, contractor/developer or MH homebuyer) as soon as possible after discovering the deficiencies. Where the costs of correcting deficiencies cannot be recovered from the responsible party and/or the deficiency requires immediate correction to protect life or safety or to avoid further damage to the project unit(s), the IHA may apply to HUD for amendment of the development budget to provide the funds required. The IHA may also use operating receipts to cover such costs. The IHA shall be responsible for correction of any deficiencies that could have been detected and/or corrected during the warranty period if the IHA had inspected at the appropriate time or had pursued correction of deficiencies against the responsible parties.

(b) *Amendments.* (1) HUD may, but is not obligated to, provide additional funding to the IHA to correct deficiencies. The ACC may be amended to provide amounts needed to correct deficiencies (and any resulting damage) in design, construction, and equipment only where there is substantial evidence that it is not possible to obtain timely correction or payment by the responsible parties, including the source of the performance bond.

(2) In the case of a MH home, the additional cost for correcting deficiencies in design, construction, or equipment (and any damage resulting therefrom)

shall not result in an increase in the homebuyer's purchase price. If a homebuyer is not in compliance with the MHO Agreement, the IHA shall reach agreement with the homebuyer to correct the noncompliance before approving or beginning the corrective work.

**§ 950.285 Fiscal closeout.**

The IHA shall submit to HUD a certificate of actual development cost within 24 months of the date of full availability (see § 950.270(c)(1)), or such later date as may be approved by HUD, in a form prescribed by HUD. Audit verification of the actual development costs shall be submitted to HUD within 36 months of the date of full availability. The audit shall follow the requirements of 24 CFR part 44 (Single Audit Act of 1984). If the audit of the actual development costs indicates that excess funds have been advanced to the IHA, the IHA shall dispose of the excess as HUD directs. If the audited development cost certificate discloses unauthorized expenditures, the IHA shall take such corrective actions as HUD directs. If the IHA fails to submit a certificate of actual development cost or audit within the prescribed times, the Area ONAP may make a determination that all development activities have been completed as of a specified date, and inform the IHA that such action has been taken and that no additional costs may be incurred for the development. The Area ONAP shall then proceed with the fiscal close-out of the development.

**Subpart D—Operation**

**§ 950.301 Admission policies.**

(a) *Admission policies.* (1) The IHA shall establish and adopt written policies for admission of participants. The policies shall cover all programs operated by the housing authority and, as applicable, will address the programs individually to meet their specific requirements (i.e., Rental, MH, or Turnkey III). A copy of the policies shall be posted prominently in the IHA's office for examination by prospective participants. (See § 950.416 with respect to Mutual Help admission policies.)

(2) These policies shall be designed: